



THE **RED** WHITE & **BLUE** OF TAX CREDITS

- Nationwide Tax Forum Presentation
- Presented by NSA

2003 IRS Nationwide Tax Forums



History of Tax Credits

- *Since 1940's uses found & expanded*
- *Protect different groups & business*
- *Prior to 1975 generally limited*
- *TRA 1975 many new credits*



Fuel Type Credits

- *Gasoline Tax Credit*
- *Alternative Fuels Credit*
- *Credit for Electric Vehicle*



Child Related Credits

- *Child Tax Credits (IRC 24)*
- *Additional Child Tax Credits*
- *Dependent Care Expenses (Form 2441)*



Education Credits

- *Hope*
- *Lifetime Learning*
- *Limits*
- *Deductions vs. Credits*



Savers Credits

- *New for 2002*
- *Limited Use*
- *Windfall For Those Who Qualify*



Accessibility Credits

- *Provide Incentives to Businesses*
- *Usually Available for Structural Improvements*
- *May be Available for Non Structural*
- *Watch for AMT*



Limits on Nonrefundable Credits

- *Foreign Tax Credit*
- *Sum of Personal Credits*
- *Alternative Fuels/Electric Vehicles*
- *General Business Credits*



Order of Credits

- *Dependent/Elderly/Education/Savers*
- *Child/Adoption*
- *MIC/1st Time Home/Foreign Tax*
- *General Business Credits*



Disallowance of the Credits

- *MFS - Lost EIC, Elderly*
- *MFS - Hope, Lifetime*
- *Income limits*



Future of Tax Credits

- *AMT Changing Taxation Rapidly*
- *Social Pressures at Work*
- *Seek to Create Fairness*



For Information

- *National Society of Accountants*
800-966-6679
Booth in Vendor Area
www.nsacct.org